



## STATE OF RHODE ISLAND

### DIVISION OF PUBLIC UTILITIES & CARRIERS

Accounting Section

89 Jefferson Boulevard

Warwick, Rhode Island 02888

(401) 941-4500

(401) 941-9248 - Fax

# Memorandum

**DATE:** November 19, 2020

**TO:** Luly Massaro, Commission Clerk  
Rhode Island Public Utilities Commission

**FROM:** Alfred Contente,  
Utility Analyst

**SUBJECT:** Docket No. 4935 – National Grid – Industrial Group Last Resort Service Rates

On October 20, 2020, The Narragansett Electric Company d/b/a National Grid ("National Grid" or "Company") filed with the Public Utilities Commission ("Commission") proposed Last Resort Service rates for the Industrial customer effective April 1, 2020. The Company submitted a Request for Confidential Treatment covering the detailed bid results. The Company submitted these confidential materials to the Division of Public Utilities and Carriers ("Division") for its review and analysis. As with prior rate filings, the Division has reviewed the Company's filings and has prepared this memo for the Commission's consideration.

Included in the Company's filings were:

- The calculation of the retail Last Resort Service ("LRS") rates for the Industrial Group;
- The Summary of Rates tariff for Standard Offer Service ("SOS")/LRS for the industrial group;
- Typical bill analysis;
- A copy of the Request for Proposals ("RFPs") issued by the Company on September 11, 2020 to solicit LRS supply for the Residential Group for the period April 2021 through September 2022, for the Commercial Group for the period April 2021 through September 2022, and for the Industrial Group for the period January 2021 through March 2021;

- A redacted summary of the procurement process identifying the key actions taken by the Company to procure LRS for its customers; and
- Redacted versions of the executed confidential Transaction Confirmations.

Unredacted versions of the Procurement Summary and Transaction Confirmation have been supplied under separate cover.

## **Last Resort Service Proposed Rates**

### Industrial Group Rates

The LRS rates proposed for the **Industrial Customer Group** for the January 2021 through March 2021 period, including the current per-kWh Standard Offer Adjustment Factor of \$0.00381, the Administrative Cost Factor of \$0.00186, and the Renewable Energy Charge of \$0.00866 are:

- January 2021:           \$0.10531/kWh
- February 2021:       \$0.10264/kWh
- March 2021:           \$0.08526/kWh

The three-month average of the proposed January 2021 through March 2021 Industrial Group SOS rate is \$0.09774, which results in a 32% increase, when compared with the October 2020 through December 2020 average Industrial Standard Offer rate of \$0.07379. In comparison, the proposed three-month averaged proposed rates are 15% lower than the same three-month period from this year (January 2020 – March 2020), which was a rate of \$0.11559.

### **Standard Offer Service, Now Last Resort Service**

In keeping with Rhode Island General Law, specifically §39-1-27.3(b), National Grid will no longer offer what has commonly been referred to as “Standard Offer Service,” which is authorized for customers through 2020. Effective January 1, 2021, all customers not taking service through competitive suppliers will now be served and referred to as Last Resort Service (“LRS”) customers. Although the name has changed to LRS, the purpose and intent of offering customers a default standard power supply offer remains the same.

### **Division Conformation of Compliance**

After review, the Division finds that the proposed Standard Offer rates, now exclusively referred to as Last Resort Service rates, contained in the filing for Industrial customers are correctly calculated and comply with RIPUC approved Standard Offer Procurement Plan as approved in Docket 4978 at the July 23, 2020 open meeting. The Division is also of the opinion that the power supply procurements undertaken by National Grid in the Docket reporting period comply with the plan approved by the Commission.